

**Board of Governors
27 November 2014**

**Minutes of the seventy-second meeting held on
Thursday 27 November 2014**

Present

Mr Rob Hull – Vice-Chair - in the Chair
Professor Kathy Castle
Mr Emir Feisal
Mr Anthony Millns
Ms Ann Minogue – Vice-Chair
Mr Daleep Mukarji
Mr Michael Murphy
Mr Obie Opara – President, Students' Union
Professor John Raftery – Vice Chancellor
Dr Cathy Sullivan
Professor Dianne Willcocks

In attendance

Ms Lynn Burke, Director Office of Institutional Effectiveness
Mr Peter Garrod, University Secretary and Clerk to the Board
Professor Peter McCaffery, Deputy Vice-Chancellor
Ms Cynthia Muzarirehe, LMU Intern – University Secretary's Office
Ms Pam Nelson, Director of Finance
Ms Gloria Quiros, LMU Intern – University Secretary's Office
Mr Jonathan Woodhead, Executive Officer, Vice-Chancellor's Office

1 **Welcome and apologies for absence**

Apologies were received from Mr Clive Jones and Ms Maureen Laurie. Mr Christopher Sarchet (Director of the Strategic Programme Office) was unable to attend for family reasons. The Chair welcomed Ms Muzarirehe and Ms Quiros, recent LMU graduates working in the University Secretary's Office as part of the University's graduate internship scheme, who were observing the meeting.

2 **Declaration of interests**

There were no interests to declare.

3 **Tribute to Katherine Farr**

Members **paid tribute** to the contribution to the Board and to the Audit Committee of the late Katherine Farr, chair of the Audit Committee since 2011 and a member of the Board since 2010, who had passed away on 3 November. Her commitment, enthusiasm and humanity were noted, as well as her role in reshaping the work of the Audit Committee. A period of silent reflection was held in memory of her.

4 **Minutes of previous meeting**

Minutes of the meeting held on 25 September 2014 were **approved** as a true record.

BG 72/4

5 **Matters arising not covered elsewhere on the agenda**

5.1 With respect to actions arising from the last meeting, the Board **noted** that:

Staff stress and wellbeing survey (BG 71/ 6.1)

- the working group chaired by the Vice-Chancellor had convened, and would focus on getting beneath the issues raised by the survey and developing solutions. The Vice-Chancellor would report on progress to the Board's next meeting.

Vice-Chancellor

Action: Vice-Chancellor

Freedom of Speech Code of Practice (BG 71/ 7)

- the Code of Practice was being reviewed by the University Secretary's Office in conjunction with the Students' Union, with the intention that any revisions would come to the Board to

approve in January. Members **noted** the government's recent announcement that it intended to introduce legislation before the general election which would impose statutory duties on universities with regard to preventing extremism and radicalisation. The University's procedures were considered to be generally robust in this area and consistent with universities' legal duty to ensure freedom of speech within the law for students, staff and visiting speakers.

Action: University Secretary

University
Secretary

Non-financial KPIs (BG 71/8.2.1)

- **noted** that the main KPIs used for reporting to HEFCE had been included in the Vice-Chancellor's report to the Board (see item 6.1) and would be included in future reports. It was also intended to include KPIs (including changes) in the monthly management information circulated to the Board. It was suggested that the KPIs would assist the work of the Met2020 Steering Group.

Staff costs as a percentage of income (BG 71/8.4.3)

- **noted** that the analysis of teaching hours in FSSH by Human Resources had been delayed by delays in receiving data from the faculty but was now underway. It was intended to circulate a report to Finance and Resources Committee before Christmas and then to the Board for its meeting in January.

Director of
Finance and
Director of HR

Action: Director of Finance and Director of HR

Tour of Holloway Student Front Office (BG 71/10.1.1)

- **noted** that the tour had been held before the Board meeting and had been attended by a number of members.

Student complaints (BG 71/10.4.1)

- a report on student complaints was scheduled for the Board's meeting in January.

Action: University Secretary

University
Secretary

- 5.2** The Director of Finance clarified that the clawback of grant from HEFCE was due to end in 2019-20 (BG 71/5 refers), with £15m remaining at 31 July 2014.

6 Vice-Chancellor's reports

6.1 Vice-Chancellor's General Report to the Board

The Board **received** for information the Vice-Chancellor's General Report to the Board, noting that the next report to HEFCE and the Board was due in January. In discussion, members **noted** that: BG 72/6.1

- the non-financial KPIs in the report indicated that the University was 5.5 points below its DLHE benchmark, despite the University's London location and the generally positive employment environment. Members **noted** that the DLHE was a volatile survey in which the University had previously performed well. The deterioration in the University's position was connected to a decline in the proportion of graduates going on to further study, although this also affected other universities. The University clearly wanted to improve its performance; efforts to do so included looking at the data to ensure that it was optimised to the best effect, and initiatives (such as the Graduate Internship scheme and projects under Met2020) to shift the focus from 'employability' to concrete employment outcomes. Whilst the nature of the student population was a factor in the University's performance (with BME young people affected nationally by higher than average unemployment), it was incumbent on the University to engineer its processes and systems to reflect its intake. It was also **noted** that the media would tend to focus on metrics that were unfavourable to the University, and that consequently these should be the focus of the University's attention. While the DLHE was flawed, it had value as a benchmark against which future performance could be measured;
- the Vice-Chancellor was meeting key stakeholders to convey the message that the University was focussed on improving its reputation and its performance;
- there were signs of an improvement in the tone, content and effectiveness of the Academic Board, and its ability to challenge positively around academic strategy. The Vice-Chancellor had also spent time attempting to build relationships with the staff trade unions. In both cases, the attempt was to develop an atmosphere of respectful dialogue even if there was disagreement.

6.2 Annual assurance return

The Board **received** a report which updated the Board on the preparation of the annual accountability returns to HEFCE (many components of which were on the agenda for the Board's BG 72/6.2

approval). The Board **approved** the annual assurance return for HEFCE, which would be signed by the Vice-Chancellor after the meeting.

7 Student Governor's reports

7.1 General report

The Board **received** the Student Governor's general report to the Board. Members congratulated the President of the Students' Union on the successful auditing of the Students' Union's accounts for 2013-14 and the fact that a small surplus had been achieved. It was also **noted** that MetSU had been one of the first student unions to successfully complete Part A of the Quality Students' Unions Award run by the NUS, and was working towards Green Impact accreditation. Discussions with the University were underway about the Students' Union taking over responsibility for the management of Freshers' Fayre. Members commended the Students' Union for working with the University to fundraise for Ebola relief during Black History Month. It was **agreed** that the Deputy Chief Executive would discuss with the President of the Students' Union the point raised in the report about consultation over Calcutta House and the Students' Union's City office.

BG 72/7.1

Action: Deputy Chief Executive

Deputy Chief Executive

7.2 Students' Union annual report and accounts

The Board **receive** for information the Students' Union's draft annual report and accounts for 2013-14.

BG 72/7.2

8 Strategic items

8.1 Strategic Plan

Members **received** the Green Paper for the Strategic Plan 2015-2020. Members **agreed** that as the Green Paper would be the focus of discussion at the Board's Strategy Day on 15 December 2014, it was not appropriate to pre-empt that by discussing the content of the paper in the Board's business meeting. Instead, discussion centred on the strategic planning process.

BG 72/8.1

The Vice-Chancellor placed the Green Paper within the context of the Port Report, which had recommended that the University should begin the process of developing a new Strategic Plan once a new Vice-Chancellor was in place. That process had commenced with the publication of a 'Stimulus Paper' in

September intended to provoke discussion in the University community around a series of questions. Over 80 submissions (including some group submissions) had been received and a series of open meetings had been held to gather feedback. The 'Green Paper' took the process to the next stage by presenting proposals (including, in some cases, a range of options) in answer to the questions posed in the Stimulus Paper. The deadline for submissions to the Green Paper was 9 January. As for the Stimulus Paper, multiple channels (including staff and student meetings, 'World Café' events and electronic submissions) were being used to gather feedback. In January 2015, the Senior Management Team would have the difficult task of making a judgement call about what strategic options should be developed into a 'White Paper' (draft Strategic Plan) which would be published on 10 February.

The following points were raised in discussion:

- the open and accessible nature of the consultation process was noted, and the positive tone of the conversation with staff and students. The format of the Green Paper, with options and pros and cons set out, was considered to be helpful and conducive to engagement;
- the 'Green Paper' referenced the feedback on the Stimulus Paper but was not intended to synthesise it or to reach a 'lowest common denominator' position. It identified where there was common ground (e.g. in relation to the University's mission), and attempted to move the conversation forward about the University's future in an evidenced way by raising challenging propositions and prompting difficult thinking;
- the executive would have to confront difficult choices in developing final options for approval by the Board. The Board would have to 'own' the final Strategic Plan that it approved.

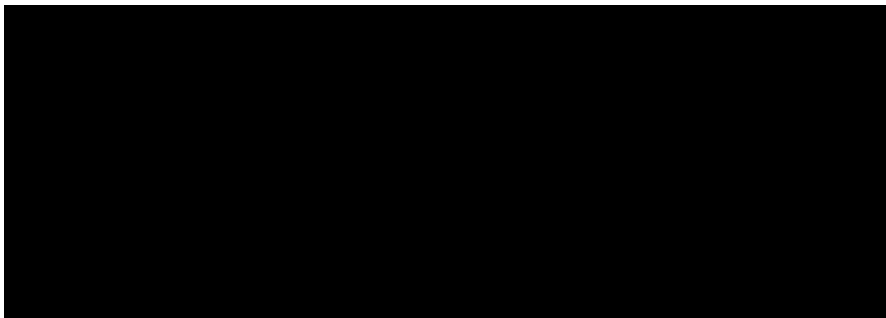
Although the agenda for the Strategy Day was under development, members **noted** that it was intended to organise it around a series of themes which cut across the Green Paper. It was **agreed** that while the University Secretary would prepare a note of points raised in discussion at the Strategy Day, a verbatim record (such as a recording) would not be conducive to open debate as it would not allow members the 'safe space' to discuss difficult strategic questions. Members who were unable to attend the Strategy Day were invited to send comments and feedback on the Green Paper to the University Secretary.

9 Financial sustainability

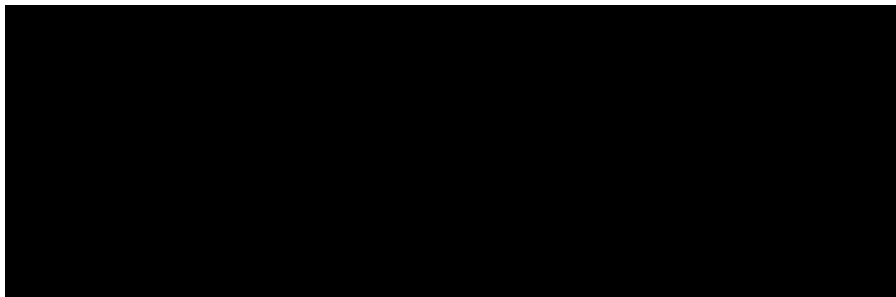
9.1 Budget 2014-15 update and financial reforecasts

9.1.1 Student number and tuition fee forecasts

The Board **considered** a report from the Director of the Office of Institutional Effectiveness which updated the Board on student number and tuition fee forecasts. The report was based on Autumn actual fees and student numbers, with estimates being applied for additional returner students, Spring starters and fee reductions. Members **noted** that: BG 72/9.1.1



s.43(2) FOIA - commercially sensitive



s.43(2) FOIA - commercially sensitive



s.43(2) FOIA - commercially sensitive

In discussion, members **noted** that:

- the recent restoration of the University's Highly Trusted Sponsor status provided some basis for hope that international recruitment would improve, and had already secured some enrolments which the University would not otherwise have achieved. However, the international market was likely to remain challenging;
- it was suggested that more could be done to prioritise the marketing of postgraduate programmes. However, it was also noted that greater investment in marketing would require resource to be re-allocated from other areas. This was an example of the difficult choices the University would be called upon to make as it developed its new strategic plan. The University could make better use of marketing channels other

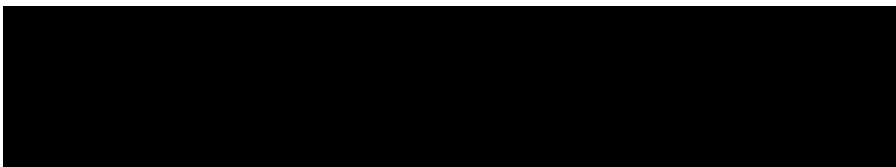
than conventional advertising; Mr Murphy offered to discuss suggestions with the executive outside the meeting;

- in the current funding environment, resource had to follow the student and it was important that success should not be penalised. This implied a re-allocation of resource from areas which had under-performed in enrolments. Discussions were underway with the faculties on how this would be taken forward.

9.1.2 Financial forecasts and revised budget

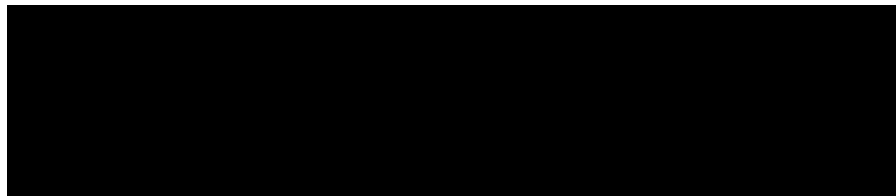
The Board **considered** an updated budget for 2014-15 and revised financial forecasts to 2016-17 in light of the student number and fee forecasts (item 9.1.1), noting that:

BG 72/9.1.2



s.43(2) FOIA - commercially sensitive

- the Director of Finance was confident that there was sufficient headroom to achieve the net savings required for 2014-15 through a combination of a vacancy freeze, freezing senior staff pay, reductions in non-pay budgets to reflect student number or fee reductions, and general contingency held in the budget;



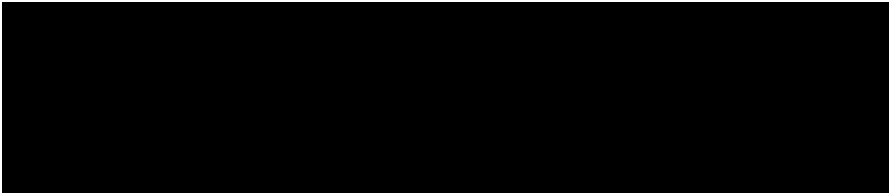
s.43(2) FOIA - commercially sensitive

- it was currently believed that the forecast savings required for 2015-16 and 2016-17 were achievable. No adjustment to the budget and the forecasts approved in July 2014 was required, as they remained sufficiently reliable for assessing whether the University was a 'going concern'.

The following points were **noted** by members:

- the Board's Strategy Day on 15 December would include discussion about the aspects required for a sustainable university in the current environment. A sustainable university had reliable revenue, a student intake which supported retention, and a structure that regularly delivered the surpluses that were required for capital and academic investment. In the strategic planning process, the University would have to make difficult choices about how to achieve this: e.g. whether to be a smaller but more stable organisation, or a large organisation which was better engineered to the demographic of its intake;
- concern was expressed about the University's continuing high

staff costs as a percentage of income. While it was noted that HEFCE's target for the University in this area had been achieved, London Met's staff costs remained high in comparison with the HE sector and the University's post-92 London competitors. The University would need to address this issue as part of its long-term planning;



s.43(2) FOIA - commercially sensitive

- members **noted** that the University needed to achieve the headroom so that it could invest in areas of strength. Met2020 was being monitored carefully to ensure that budgeted assumptions about Met2020's return on investment were being met.

9.2 Financial statements 2013-14

The Board **considered** the University's financial statements for 2013-14, which were recommended to the Board for approval by the Finance and Resources Committee (see item 11.3.1) and the Audit Committee (see item 11.2.1). Members **noted** that the University's operating deficit before staff restructuring costs and exceptional items had been £0.7m, £1.7m better than budgeted. The impact of the interest charge on the pension fund deficit (which was £1.1m higher than budgeted and £0.6m higher than 2012-13) was also **noted**. The accounts had been prepared on a 'going concern' basis, reflecting the measures to respond to the shortfall in income for 2014-15; however, members **noted** their concerns about the University's long-term sustainability.

BG 72/9.2

The Board **approved** the financial statements for transmission to HEFCE.

9.3 Financial result tables 2013-14 and commentary

The Board **approved** the financial result tables for 2013-14 and commentary for transmission to HEFCE as part of the annual accountability returns, **noting** that they were recommended to the Board by the Finance and Resources Committee (see item 11.3.1).

BG 72/9.3

9.4 Annual Sustainability Assurance (ASSUR) Report

The Board **approved** the University's 2014 ASSUR report to HEFCE, which was recommended to the Board by the Finance

BG 72/9.4

and Resources Committee (FRC) (item 11.3.1). It was **noted** that the ASSUR report was an optional component of the annual accountability returns to HEFCE, but one which was likely to become mandatory in future, The FRC had agreed that one should be submitted. The report which would be submitted to HEFCE was accompanied by a covering paper (for the Board's benefit) of supporting evidence which supported the statements made in the report.

9.5 **Met2020**

The Board **received** an update on Met2020, noting that a total investment of £6.8m over the three academic years 2013-14 to 2015-16, representing 51 bids, had been approved in the four rounds of bidding to date. In discussion, members emphasised the importance of tracking the effectiveness of Met2020 to identify when investment was delivering and not delivering. This should be done in a way which made the contribution of Met2020 (e.g. to student recruitment or retention) clear. It was **noted** that the Met2020 Steering Group and Business Approval Panel were aware of the need to monitor the effectiveness of Met2020 and currently believed the project was going to plan.

BG 72/9.5

10 **Risk Management**

The Board **received** an update from the Director of the Strategic Programme Office on risk management. It was **noted** that the corporate risk register (appended to the report) had been reviewed by the University's Executive Group (meeting as the Risk Committee) and by the Audit Committee.

BG 72/10

11 **Committee reports**

11.1 **Academic Board**

11.1.1 **Meeting report**

The Board **received** a report of the meeting of the Academic Board on 13 November 2014. Members noted that this report (and the other committee reports on the agenda below) were part of a new format intended to improve engagement between the Board and its committees, by providing summary reports which the chair of the committee would take questions on during the meeting.

BG 72/11.1.1

The Board **noted** that the most recent meeting of the Academic Board had demonstrated an improved quality of discussion and greater focus and engagement with the matters to hand. This was

reflected in the Academic Board's decision not to approve the NSS action plan from one of the faculties and to send it back for further revision.

11.2 Audit Committee

11.2.1 Meeting report

The Board **received** a report of the meeting of the Audit Committee on 18 November 2014. It was **noted** that the significant items requiring the Board's approval were covered on the Board's agenda. BG 72/11.2.1

11.2.2 Audit Committee annual report

The Board **approved** the annual report of the Audit Committee for transmission to HEFCE as part of the annual accountability returns, noting that the report had been reviewed by the Audit Committee (item 11.2.1) and was recommended for approval. BG 72/11.2.2

11.2.3 Internal Audit annual report

The Board **approved** the internal audit annual report for transmission to HEFCE, noting that the report was recommended for approval by the Audit Committee (item 11.2.1). BG 72/11.2.3

11.2.4 External auditors' management letter and letter of representation

The Board **considered** the external auditors' audit highlights memorandum and management letter and the University's letter of representation. It was **noted** that the audit highlights memorandum and management letter had been considered by the Audit Committee. The University's Senior Management Team had reviewed the letter of representation, which was recommended for approval by the Audit Committee (item 11.2.1) and the Finance and Resources Committee (item 11.3.1). The Board **approved** the letter of representation for signature by the Vice-Chair of the Board. BG 72/11.2.4

11.2.5 Annual Value for Money (VfM) report

The Board **approved** the annual VfM report, which was recommended by the Audit Committee (item 11.2.1). It was suggested by one member that for next year's report, the Director of Finance could consider modifying the VfM objectives so that objective (f) ("to promote a culture of continuous improvement") BG 72/11.2.5

read “to promote a culture of continuous improvement underpinned by a commitment to equitable outcomes”. It was also suggested that the VfM report should refer to training in the Financial Regulations being available to existing staff as well as new staff via induction. It was **noted** that the Finance Department intended to launch revised Financial Regulations in 2015 and that this would be accompanied by sessions explaining the Regulations.

11.2.6 Public Interest Disclosure Policy (‘Whistleblowing’)

The Board **approved** a revised Public Interest Disclosure Policy for the University, which was recommended by the Audit Committee (item 11.2.1). The Policy had been reviewed by the University’s solicitors in light of changes to legislation since the previous version had been approved.

BG 72/11.2.6

11.3 Finance and Resources Committee

11.3.1 Meeting report

The Board **received** a report of the meeting of the Finance and Resources Committee on 11 November 2014. It was requested that the full minutes of the Committee should be circulated to the Board once approved.

BG 72/11.3.1

Action: University Secretary

University
Secretary

11.4 Governance Committee

11.4.1 Meeting report

The Board **received** a report of business of the Governance Committee which had been agreed by circulation.

BG 72/11.4.1

The Board **approved** the recommendation (with Mr Millns and Mr Feisal declaring their interest and abstaining) that Mr Tony Millns, Mr Clive Jones and Mr Emir Feisal should be re-appointed to a third and final term on the Board of Governors commencing 1 August 2013, and should continue in their existing chair positions. The Board **noted** that Mr Daleep Mukarji had indicated that he wished to retire from the Board when his current term ended at the end of the 2014-15 academic year, and that a process was underway to recruit three new Independent Governors. It was also **noted** that the Chair of the Board had approved Mr Hull serving as chair of the Audit Committee until a new chair could be appointed.

11.4.2 Regulations concerning the Academic Board

The Board **approved** revised terms of reference for the Academic Board (in the form of Regulations, as required by the new Articles), which were recommended for approval by the Academic Board (item 11.1.1) and the Governance Committee (item 11.4.1). It was **noted** that the revised terms of reference were on an interim basis, pending a review of the academic committee system (including the Academic Strategy Committee) in 2015.

BG 72/11.4.2

11.4.3 Scheme of delegation

The Board **considered** a draft scheme of delegation for the University, which had been developed by the University Secretary's Office as one of the actions arising from the 2014-15 Board effectiveness review. Members **noted** that the scheme of delegation was intended to codify how authority was delegated from the Board to the Board's committees and the executive, and would be a living document which would be updated periodically. Members were asked to send comments to the University Secretary so that the scheme could be presented to the Board for final approval at its next meeting.

BG 72/11.4.3

11.4.4 Governor appraisal process

The Board **approved** a process for annual and end of term reviews for Independent Members, which was recommended by the Governance Committee (item 11.4.1). Members **noted** that the appraisal process (which arose from the recommendations of the Board effectiveness review) was intended to provide the Chair of the Board with a mechanism for holding conversations about performance and development needs with Independent Members on an annual basis and towards the end of their terms of office.

BG 72/11.4.4

11.5 Health and Safety Assurance Group (HSAG)

11.5.1 Meeting report

The Board **received** a report of the meeting of the Health and Safety Assurance Group (HSAG) on 28 October 2014. The following points were **noted** in discussion:

BG 72/11.5.1

- HSAG and the Audit Committee had reviewed the implementation of the recommendations of the recent internal audit review of health and safety. The meeting of the Audit Committee in September 2014 had expressed concern about the delay in implementing the agreed recommendations. The

ground had subsequently been made up, and some of the deadlines reported to the Audit Committee had been incorrect. HSAG was now content that good progress was being made;

- HSAG was reassured by the leading role which the Vice Chancellor was playing in the health and well-being agenda, including chairing the working party responding to the stress and well-being survey;
- while HSAG had been assured that the University was complying with statutory requirements, the backlog of maintenance remained a source of concern. Generating sufficient income to address the maintenance backlog as well as complying with legal requirements was one aspect of ensuring the University's sustainability;
- members noted concern about comments regarding the attendance record of the Students' Union at the Health and Safety Committee, given the importance of student engagement with Health and Safety. It was **noted** that Health and Safety was covered as part of student induction. It was **agreed** that the President of the Students' Union should address the issue of attendance by the Students' Union at the Health and Safety Committee.

Action: President of the Students' Union

President of
MetSU

12 Any other business

There was no other business.

13 Dates of next meetings

The Board **noted** the dates and times of its meetings in the remainder of 2014-15:

- **15 December 2014, 9.00-13.00:** Strategy Day (co-opted members of committees also invited).
- **29 January 2015, 17.00-19.00**
- **16 April 2015, 17.00-19.00**
- **4 June 2015, time tbc:** Strategy Day
- **2 July 2015, 17.00-19.00**

14 Dates of meetings in 2015-16

The Board **noted** the dates and times which had been provisionally set for its meetings in 2015-16:

- **8 October 2015, 17.00-19.00**
- **26 November 2015, 17.00-19.00**
- **17 March 2016 (with AGM), 17.00-19.00**

- **5 May 2016: Strategy Day**
- **30 June 2016, 17.00-19.00**

Certified to be a true record:-

.....
Chair, 29 January 2015

72nd Meeting of the Board of Governors, 27 November 2014

Action Sheet

Item	Action	By	Deadline
5.1	Report back on progress of staff well-being working group	Vice-Chancellor	Next meeting
5.1	Submit revised Freedom of Speech Code of Practice to the Board.	University Secretary	Next meeting
5.1	Staff costs as a percentage of income: submit report to Board on analysis of teaching hours in FSSH.	Director of Finance and Director of HR	Next meeting
5.1	Submit report on student complaints to the Board	University Secretary	Next meeting
7.1	Discuss MetSU's City office and Calcutta House with the President of the Students' Union.	Deputy Chief Executive	Next meeting
11.3.1	Circulate minutes of Finance and Resources Committee to Board	University Secretary	Next meeting
11.5.1	Ensure attendance by the Students' Union at Health and Safety Committee	President of the Students' Union	Next meeting of Health and Safety Committee